



Safety Culture

September 10, 2013

Topics

- Linehaul Network in motion (North America)
- Business Model
- Driver Qualification and regulatory compliance
- Safety Culture through communication, awareness, and accountability
- The future
- Questions



The FedEx Ground Network

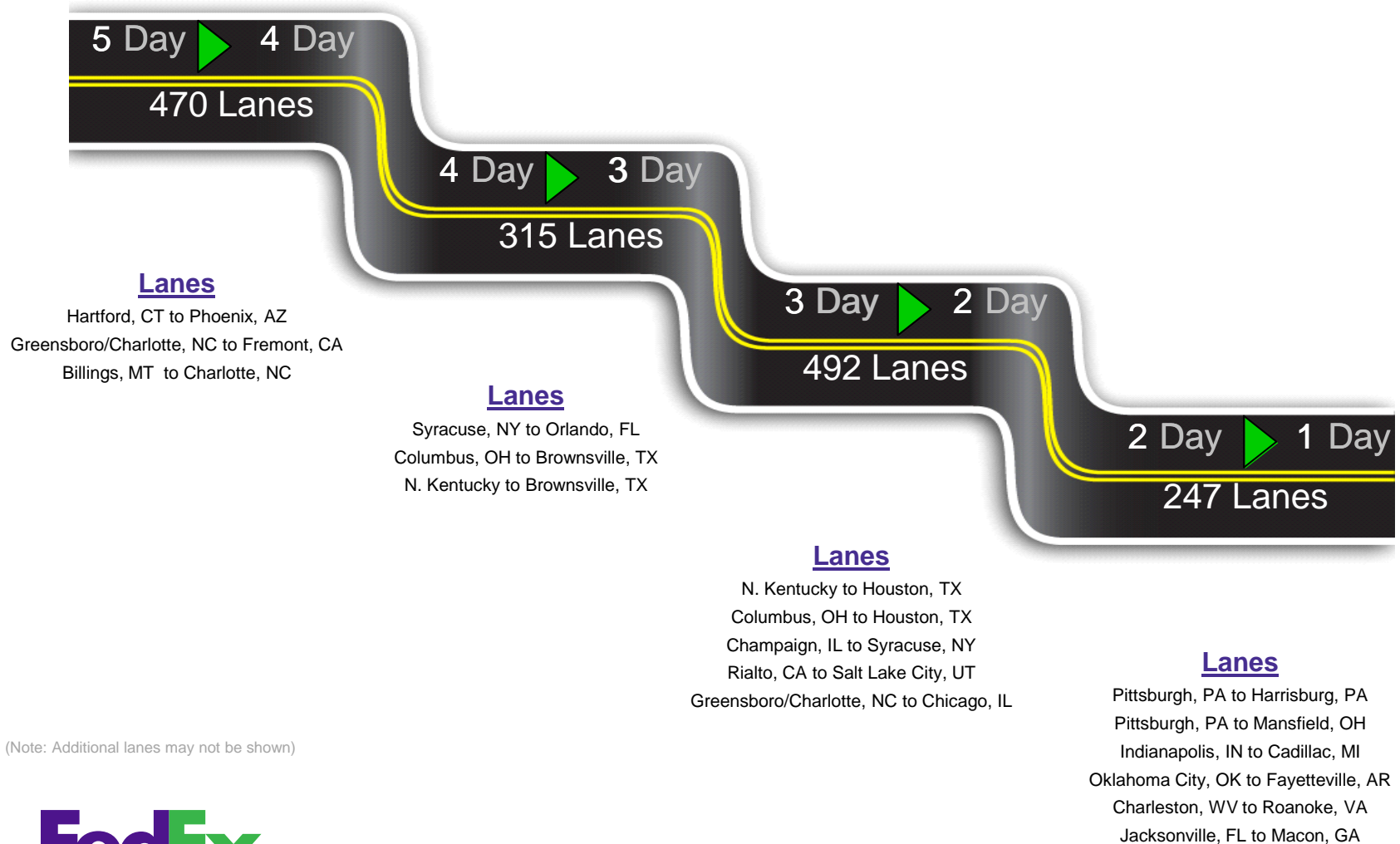


FedEx Ground Operating Model

- FedEx Ground works exclusively with more than 8,500 independent small businesses for its pickup, delivery and linehaul operations.
- FedEx Ground as a motor carrier has specific responsibilities related to driver qualification / disqualification and vehicle safety as outlined in the Federal Motor Carrier Safety Regulations (49 CFR)
- FedEx Ground moves approximately 5.6 million packages during an average business day.
- There are more than 35,000 motorized vehicles that record approximately 1.5 billion miles each year.



FY14 transit time improvements will be implemented in 1,524 lanes with *safety* as the top priority

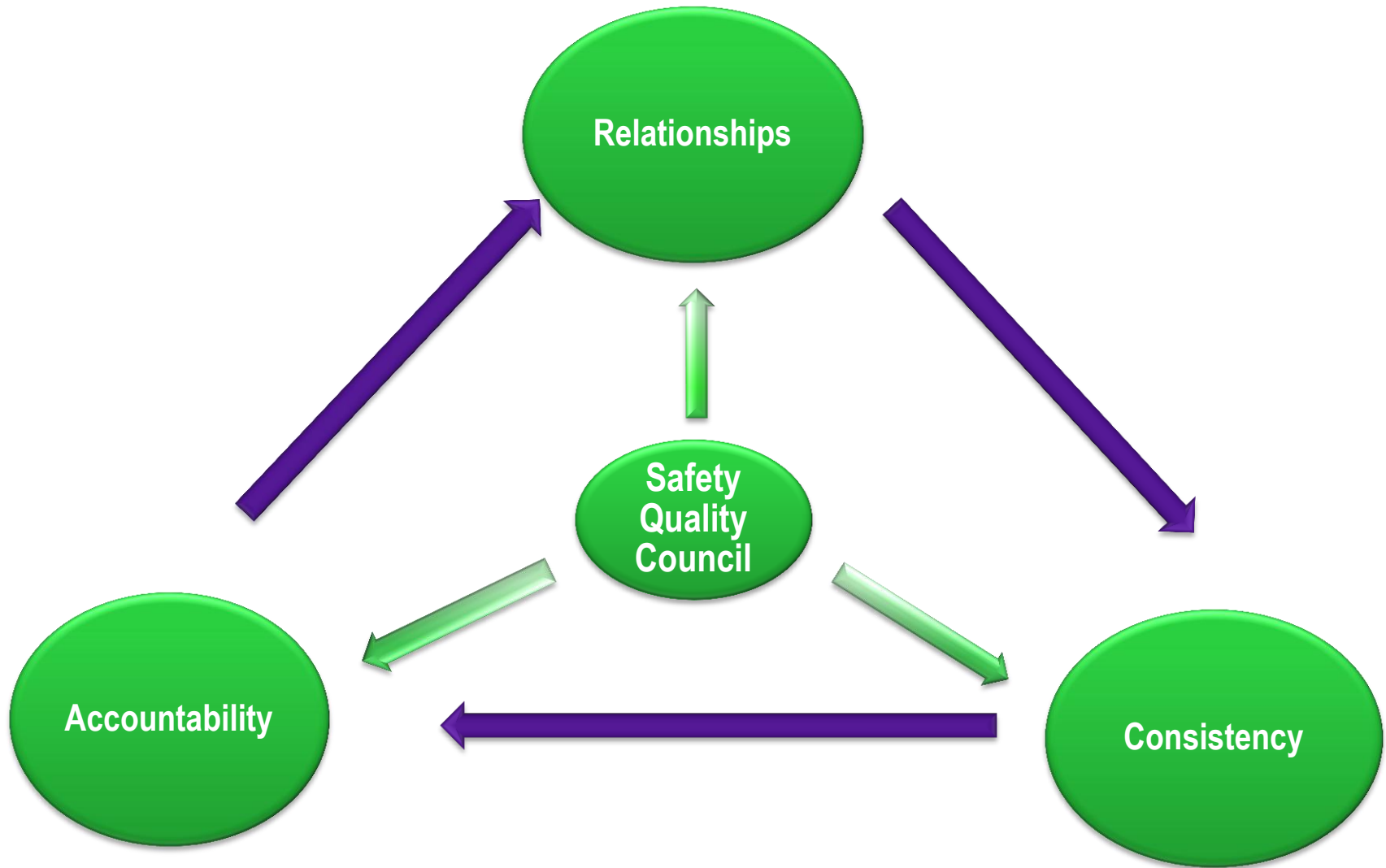


Regulatory Compliance

- Through operating agreements with each small business that contracts with FedEx Ground, minimum regulatory requirements are monitored for all drivers qualified to provide services for the company
- Designed to promote compliant and safe operations
 - Qualification/disqualification criteria
 - Vehicle Inspections
 - Reporting detective tools and metrics
 - Internal safety culture reviews
 - Satisfactory safety rating with the Department of Transportation, Federal Motor Carrier Safety Administration
- Incentives are built into operating agreements to promote and recognize safe operations
- Robust roadside inspection metrics and analysis to detect and correct unsafe conditions quickly and with a sustainable solution



Safety Performance Model



Safety Culture

- Open communication and input from business entities regarding safety
 - Face-to-face conversations ensuring a strong safety culture exists and is mutually understood by all stakeholders
- Voluntary safety meetings
 - Open discussion about real world scenarios; exchanging safety ideas, information, and prevention
 - “Close Call” discussions where drivers share experiences that prevented a potential crash or safety-related issue
- Continuous review of safety-related metrics
 - Thoughtful allocation of safety resources
- Using an internal quality program, Quality Driven Management
 - Formal approach to continuous process improvements and problem solving (data/analysis/science)

In the future . . .

- FedEx Ground has introduced a safety Response and Innovation center
 - Identify and leverage technological solutions to detect and eliminate potentially unsafe conditions
- Modifications to safety incentives based on an analysis of the effectiveness of current programs
- Direct involvement with academia, enforcement, and the safety community at-large to assist in defining the best approach to achieving the best possible safety results.
- Ensuring accountability for safety results is continuously aligned with the parties that will have the greatest impact on effecting positive behavior change





**SAFETY
ABOVE ALL**



QUESTIONS?

